

TO: Governor Albert D. Rosellini
FROM: Donaho & Associates
SUBJECT: Report Based on our Accounting Survey
DATE: October 10, 1958

Transmitted herewith is our report based on a survey of accounting practices and organization for accounting in 23 State agencies. Particular attention in our survey was devoted to analysis of the accounting relationships that currently obtain between the operating agencies and the central fiscal agencies, in particular the Director of Budget and State Auditor. The report discusses at length certain major findings which are given in summary form here.

1. The State lacks a system for accounting. By "system" we mean a comprehensive plan prescribing the basis and manner in which the accounting function is to be carried out -- in the agencies and in the central fiscal group. There is, of course, an official chart of expenditure accounts and elaborate procedures have been developed for the review of proposed expenditures in the central fiscal group and in many agencies. But these procedures result primarily from lack of safeguards that should be built into any effective accounting routine.
2. Responsibility for the development and maintenance of the State's accounting methods is divided between the Budget Director and the State Auditor. But neither has assumed responsibility for local fund and other nonappropriated fund accounting. Under current law, the State's "chief accountant" is the State Auditor; yet the general pattern of accounts and records maintained by the Auditor is prescribed by the Budget Director. Some Statewide records and forms are prescribed by the Auditor; others are prescribed by the Budget Director. The problems stemming from lack of central accounting authority

have special significance with regard to the accounting manual that will be issued to take effect on July 1, 1959. This manual will serve as the State's official policy and procedures statement covering accounting operations within the Executive Branch. It probably would not be possible under current law to require all agencies, including the Auditor to follow the regulations and instructions stated in the proposed manual.

3. An unwise mixture of authority is vested in the State Auditor: He approves expenditures (through his pre-audit, covering vouchers presented to him for approval); he disburses funds (under the warrant system); he approves (by post-audit) his own actions.

The Treasurer is simply the State's banker (but only for "State funds"); even so, his records do not enable him to develop the necessary details as to the State's various funds. The Treasurer is not carrying out an important treasurer's function, i.e., warrant approval and disbursement; this function, of course, is performed by the State Auditor.

The Budget Director, through pre-audit process--covering requisitions, purchase authorizations and other obligation documents presented to him for approval-- has in effect assumed an agency responsibility; accountability for all "pre-audit" agency expenditures. It should be noted that the review conducted by the Budget Director and the Auditor duplicate other reviews that take place in the agencies. More important, under the present setup, agencies have no particular incentive for developing records and accounting systems which enable them to account intelligently under their spending programs. Some agencies have developed useful accounting systems but, since there is no relationship between the Statewide accounting setup and these agency systems, the agencies concerned have been forced to maintain

two separate systems -- their own and the State's.

4. Financial reporting on a Statewide basis suffers from several critical defects:

- One important report is grossly misleading; the Treasurer's monthly report fails to distinguish between the general fund proper and the various "accounts within the general fund"; as a result, the Treasurer's "general fund" shows a surplus whereas the actual general fund shows a significant deficit;

- Reports issued by the Budget Director are not timely. Most of his reports are so massive in bulk and so copious in detail as to discourage the intelligent reader. His reports are incomplete; only State funds are covered in the reports, without reference to the \$1 1/2 billion plus biennial expenditures reflecting local fund and other nonappropriated fund activities.

- Agency monthly expenditure reports are incomplete and misleading -- showing only disbursements i.e., warrant issue. Not included in the agency reports are obligations. Local and other nonappropriated funds are expressly excluded.

5. A program for procurement and use of automatic data processing equipment is nonexistent for the State service despite (a) the increasingly heavy expense which such equipment entails, or (b) the significant benefits to be gained through centralization of the State's machine efforts. Further there is a complete absence both of Statewide planning and an effective organization base for machine use.

Statements made in our report will appear to be critical of the performance of certain positions. We have felt, however, that the overriding consideration in preparing this report is the need for making completely clear what is wrong with present accounting operations. Our proposals for an action program designed to remedy Statewide deficiencies in accounting operations are enumerated here (and discussed at length in the report).

1. Major responsibility under the new accounting system would be placed with agency management for developing accounting organizations and methods which will ensure effective, comprehensive accounting records -- showing

obligations, accrued expenditures, disbursements and costs. Pre-audit and warrant preparation responsibilities would be vested in the agencies.

Timely reports reflecting all pertinent financial and workload activities for the period would be forwarded periodically to the Central Budget Agency for analysis and posting in the general ledger.

2. The Central Budget Agency would not process and approve obligations for payment (as is now done by the Budget Director under the Pre-Audit Law).

The Central Budget Agency's major effort would lie in (a) review, follow-up and control based on agency reporting, and (b) analysis and summary reporting, as regards Statewide fiscal experience, to the Governor and other key officials. Other responsibilities would lie in Statewide accounting system design and consultation with agencies on their individual accounting system needs. The Central Budget Agency's work assignments would extend to all agencies, regardless of whether the agencies are financed out of appropriated, nonappropriated or local funds. (The functions of the Budget Agency outlined here pertain, of course, to accounting assignments; see our May 8, 1958 memorandum covering the Central Budget Agency's responsibilities under the budget process)

3. It is of fundamental importance to the long run establishment of good accounting practice that the State Auditor be divested of authority for accounting and accounting systems. This can be accomplished by:

a. Abolishing the office by statute and creating a legislative post auditor, or

b. Divesting the present office of all but post audit responsibility.

From the standpoint of this project, however, there are actions of paramount importance which require decision now. Accomplishment of these would:

- (a) Entail a voluntary action by the Auditor contrary to his historical position.
- (b) Involve legislative action requiring a change in the Auditor's position.
- (c) Require directives from the Governor pursuant to the law governing the project which the Auditor might choose to accept.

The actions dependent upon "a", "b", or "c" above are

- Preparation of warrants in the agencies and in the Central Budget Agency;
- Charging of warrants to more than one appropriation or fund; and
- Processing of warrants against nonappropriated funds, such as trusts.

It is also of fundamental importance to recognize that the State cannot make intelligent plans for an orderly machine use program so long as the Auditor continues to perform in the area of pre-audit and warrant preparation.

4. On a limited basis, at first, the Central Budget Agency would furnish automatic data processing services (e.g., payrolling, warrant preparation, etc.,) to agencies without volume data processing equipment. Agencies equipped with punch card machines would retain this equipment-- in this interim phase of the State's machine use program -- but would gain more effective use of manpower and machines through automation of the warrant process and attendant operations. Ultimately -- after sufficient experience had been acquired and following careful study of each feasible application -- the Central Budget Agency would serve as the organization site for a central computer facility set up to perform all machine processing for the State service where warranted by data volume. Agencies would be permitted to retain or procure data processing equipment only under special circumstances.

In our Licenses Department pilot plant study, currently underway, we are in the process of testing the feasibility of certain major elements in the new accounting system. The accounting manual procedures statements (and needed forms and records) are now being developed. As our installation proceeds, we will make additional proposals for solution of other accounting problems.

EXHIBIT A

PRE-AUDIT SECTION
CURRENT PROCEDURES

The work of the 12 employees of this Section is spent in the following primary activities:

1. Quarterly Allotments. Three man years are spent in the development of expenditure allotments, by quarters, for each agency covered under the pre-audit law. The allotments are made by appropriation and, within the appropriation, by object of expenditure. The allotment granted the agency is based upon the agency's request for the quarter -- conditioned by the Governor's revision and the expenditures of previous quarters. Allotments are then set up for each agency, with controls for (a) equipment, maintenance and repair schedules, and (b) objects of expenditure. Proposed agency expenditures for the quarter are reviewed against the established allotment, as discussed below.

2. Requisitions. 2.5 man years are spent in reviewing requisitions (estimated number received annually: 25,000) which are forwarded by agencies for purchase of materials, supplies, printing, equipment, repair and similar orders. Each requisition is checked to determine whether:

- an appropriation is available therefor;
- the allotment covering the requisition is approved;
- the proposed expenditure is lawful;
- the proposed expenditure can be made without the probability of exhausting the appropriation before the end of the biennium;
- the expenditure is charged to the proper account

If the requisition is approved, it is encumbered and forwarded to the State Purchasing Agent.

3. Purchase Orders. Two man years are spent in reviewing approximately 30,000 purchase order estimated as annual receipts. Upon receipt of the purchase order, a check is made with the previous requisition. If the purchase order is equal to or less than the approved requisition, the order will be approved (and forwarded to the Purchasing Agent), the requisition liquidated and the purchase order encumbered. If the purchase order calls for a greater expenditure than was approved on the requisition, a determination is made as to whether there are sufficient funds to meet the added cost.

4. Vouchers. 4 man years is spent in the review of approximately 45,000 voucher transmittals estimated as current annual receipts. The "voucher transmittal" is the covering voucher for a group of vouchers -- which may range in number from one to several hundred. No work count has ever been made of the number of vouchers received by the Section, although a conservative ratio between voucher transmittals and vouchers would be 1 to 10, suggesting that 450,000 vouchers, at a minimum, are received annually by Pre-audit Section. Except for payroll vouchers, the following procedural steps are normally observed*.

- * A clerk in Pre-audit posts to a control ledger all approved personnel action forms covering the pre-audit agencies. Each payroll voucher is checked against the control ledger. The approved voucher is then forwarded to an examiner who reviews the proposed expenditure for availability of funds, and then posts to the proper appropriation, allotment, project and primary account.

EXHIBIT A (Continued)

It is determined that:

- the voucher is legal, proper and funds are available therefor;
- signature, and account numbers are correct;
- no discrepancy exists between the voucher and the voucher transmittal

If the voucher covers a payment against a purchase order or other encumbered item, the encumbrance is liquidated and the expenditure charged. Approved vouchers are forwarded to the State Auditor, where a similar check is made prior to warrant issue.

The pre-audit process may be summed up in two statements:

1. Tight, rigid and detailed fiscal control is exercised over less than half of the State's total expenditures.
2. Significant areas of expenditure are free of review, standard-setting, or of any effective control by the Director of Budget.

The areas of exclusion

- All elective officials, including the Governor, Lieutenant Governor, Secretary of State, Treasurer, State Auditor, Attorney General, Superintendent of Public Instruction, Commissioner of Public Lands and Department of Natural Resources, and the Insurance Commission;
- The Legislature and the Judiciary;
- Boards and Committees headed by elective officials, in whole or in part e.g., Capitol Committee, Employees' Retirement System, Finance Committee, Patrol Retirement Board;
- All local funds;
- Revenue distribution to the State's political subdivision, including Liquid Fuel Tax, Common School Support, Motor Vehicle Excise Tax, Firemen's Relief and Pension, Forest Reserve Funds, Harbor Improvement Funds;
- Bond retirement and interest, reliefs, judgments, local improvement assessments, suspense refunds, war veterans' compensation, and transfers;

In addition, excluded in part (because the Director of Budget has no authority to change the quarterly plan of expenditures submitted by these agencies) are:

- All institutions of higher learning, including the University, State College and the 3 teachers' colleges.

For the current biennium, the Director of Budget is prevented under the law from taking pre-audit action for activities whose expenditures total \$937,576,900.00 (Excludes Higher Education and Transfers.) This is less than 50% of the State's total \$2 billion spending budget.

EXHIBIT B

BUDGET SECTION
CURRENT PROCEDURES

The work of the 3 employees of this Section is concerned with two activities, primarily: Budget Compilation and Financial Reporting.

1. Budget Compilation. This activity commences early during each even-numbered year. The primary tasks involve:

- Preparation and issuance of the budget instructions and forms to be used by agencies in making their biennial budget requests;
- Receiving, checking and proving in detail all data supplied by agencies on the budget forms;
- Developing summary statements to be printed in the budget document, including those which show (1) expenditures and receipts by funds, (2) comparisons between agency appropriations, requests and Governor's revisions, and (3) summaries by objects of expenditure;
- Arranging for the printing of the budget document and the budget bill -- after the "Governor's Revision" has been made;
- During the Legislative session, answering Legislative inquiries and, for purposes of determining budgetary impact, screening bills passed by the Legislature;
- Coding and assigning control numbers to appropriations passed by the Legislature.

Man Years Involved: 3

Evaluation: The work in budget compilation is characterized chiefly by its clerical, mechanical flavor. Thus, the Section's primary responsibility lies in, among other things, making sure that:

- All agency calculations are arithmetically correct;
- The required number of forms have been received, with all columns filled in, and with signatures properly entered;
- Correct extensions, footings and totals have been shown for all salary and wage data (in spite of the fact that a fair amount of these data are no longer correct by the time the budget is printed);
- Account numbers have been correctly identified; appropriations and funds are correctly titled.

The Budget Section's work sheets call for approximately 100 separate procedural steps to be undertaken by the staff in inspection and review of agency data entered on their budget requests. Virtually all operations incident to the budget compilation process, as performed in the Section, follow the same routine, unimaginative course. It cannot be denied, of course, that a certain degree of mechanical checking is necessary as one phase of effective budget formulation. But this necessity should not operate to the total exclusion of substantive,

EXHIBIT B (Continued)

constructive review of agency budget proposals. Neither should it suggest that agencies should be left to their own devices in developing their budget proposals. Agencies are given no guidance via the budget instructions (or in subsequent contacts with the budget staff) as to either the basis upon which the requests should be developed or the basis upon which they will be reviewed in the Budget Office.

2. Financial Reporting. The other major activity of the Budget Section involves the preparation and release, during the course of the biennium, of a series of financial reports covering the operation and condition of State funds, with particular regard to the General Fund. The following are released monthly:

- General Fund Statement, showing cash balance, receipts by source and disbursements by function;
- A report of various State funds, showing cash balance at beginning of month, actual receipts and expenditures and total available for expenditure;
- Bonded debt report, showing each State bond issue, total authorized, authorized but not sold, outstanding debt at month's beginning and month's end;
- Agency expenditure report, showing by agencies the appropriation authorized and expended for the month and to date;
- Comparative receipts report, showing by fund, department and source the receipts collected for the current month and accumulated as compared with the same period for the previous biennium.

Other reports issued by the Section are:

- Operation of funds, showing name of fund, cash at beginning of period, department, source of receipts, total available, expenditures by department, and appropriations and cash on hand at end of the period (prepared annually);
- General Fund statement of receipts, showing actual compared with estimated receipts.

Man Years Involved: 3

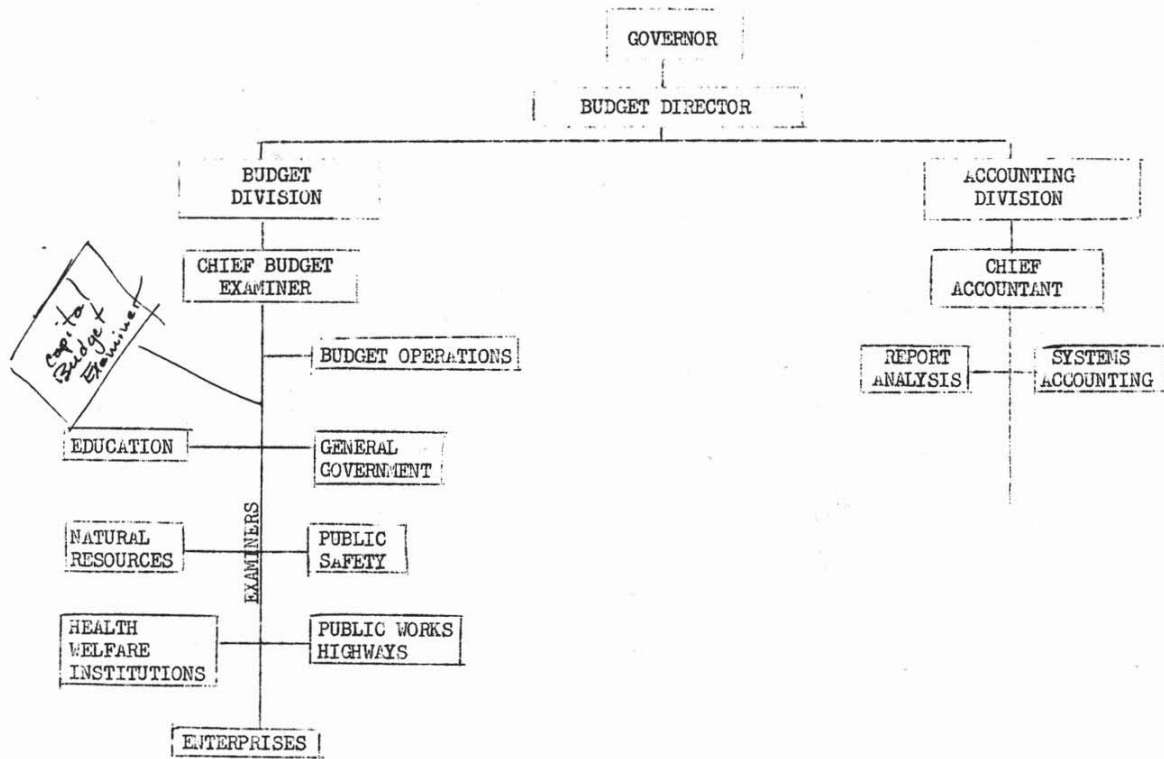
Evaluation: The reporting function suffers from several critical defects, all of which tend to reduce materially the usefulness of this function.

- a. Timeliness. The expenditure reports normally are not distributed until a month or more after the date covered in the reports. This is because the State Auditor's general ledger postings -- with which the Budget Director's ledgers are balanced -- are not usually completed until the 20th of the month following the report period.
- b. Length and Readability. The last monthly expenditure report was 88 pages in length. The last report on receipts was 45 pages long. Beyond this, the report format and display of tabular data are presented in such a way as to be virtually incomprehensible to the busy State official. Further, none of the reports contain accompanying narrative material or graphics which highlight significant factors or trends.

EXHIBIT B (Continued)

- c. Completeness. The reports are complete in some details, particularly for the pre-audit group. Owing to the fact that non-pre-audit activities generally are outside the jurisdiction of the Budget Director, the reports on these activities are so bare of detail as to be without value. For example, encumbrances are not shown for the non-pre-audit group. No local fund information is disclosed in any of the reports.

EXHIBIT C



List of Agencies excluded from the Pre-audit System.

1. All Elective Officials - Governor, Lieutenant Governor, Secretary of State, State Treasurer, State Auditor, Attorney General. Superintendent of Public Instruction, Commissioner of Public Lands (including the Department of Natural Resources) and the Insurance Commissioner.
2. Legislature.
3. Judicial - Supreme Court, Permanent Statute Law Committee, Superior Court Judges and Contributions to the Judges' Retirement Fund (trust fund held by the State Treasurer) and Administrator for the Courts.
4. Boards and Committees (headed in whole or in part by state elected officials) - State Capitol Committee, State Employee's Retirement System, State Finance Committee, Washington State Patrol Retirement Board.
5. Appropriations for distribution of Revenue to political subdivisions of the State such as Liquid Fuel Tax distribution, Common School Support, Motor Vehicle Excise Tax, Firemen's Relief and Pension funds, Forest Reserve funds, Harbor Improvement funds.
6. Other appropriations such as Bond Retirement and Interest, Reliefs, Judgments, Local Improvement Assessments, Suspense Refunds, War Veterans Compensation and Transfers.

List of Agencies excluded in part from the Pre-audit System.

1. Institutions of Higher Education - University of Washington, State College of Washington, Central College of Education, Eastern College of Education and Western College of Education.

Pre-audit Section of the Director of Budget's Office.

1. The information from the Budget Section as to appropriation amount, name of dept., title of appropriation, code number and chapter number for all appropriations passed by the legislature, are received by the Pre-audit section about one month preceding the start of the new biennium. At this time allotment folders are made by the examiners. These file folders will eventually contain (1) Biennial Budget Work Program, (2) Quarterly Estimate of Expenditures, (3) Buck slips (see later for explanation), (4) Supplemental Quarterly Estimates and Biennial Work Programs, (5) Analysis of various items on the Quarterly Work Program, (6) Allotment Work Sheet, (7) Any correspondence relative to allotment requests or other pre-audit data.
2. The various forms used by the Pre-audit section and an explanation of each and the approximate date of completion follows. (See blank form attached).
 1. The Biennial Work Program - completed by the agency under the pre-audit system (See instructions for completing attached). This form contains the following information: (a) Name of agency, division, function and fund, (b) code number and amount of appropriation, (c) signature of person submitting the completed form, (d) by object classification of accounts there is shown (1) the actual expenditures for the previous biennium, (2) the recommendations by the Governor as shown in the printed budget Volume I, (3) the agencies proposed operating budget. This form is not in most instances completed by the agency until the actual expenditures for the previous biennium are known. In the case of the last biennium this date was approximately the first of Sept.
 2. The first form that is submitted in actual practice is the Quarterly Estimate of Expenditures for the first quarter. This form contains the following information (a) Name of agency, division, (b) Fund, (c) Code number and amount of appropriation (d) Signature of submitting officer (e) By object classification of accounts there is shown (1) the agencies quarterly allotment request (2) the Governor's revision if any, (3) less unencumbered balances from previous quarters, (4) the additional allotment approved. The latter two columns (3) and (4) are not used under the current practice of merely carrying forward to the ensuing quarter any unencumbered balance remaining at the close of the current quarter. This form is due in the Budget Director's Office the 15th of the month preceding the ensuing quarter. This form must be approved and signed by the Governor. Items in certain primary accounts (such as equipment) must be detailed and explained on a supplementary form entitled "Analysis of Estimated Expenditures". (See State Form 6522 for items to be detailed.)
 3. "Buck slips". This form is completed by the examiner upon receipt of the Quarterly Allotment Work Program from the agency. (See blank form attached). This form is used for comparative purposes by the examiner and to give the Director an over all picture of the condition of each appropriation.

4. The Allotment Work Sheet (See blank form attached) is completed in part after receipt of the agencies Budget Work Program. The balance of the form is completed when pre-audit receives the agencies Quarterly Estimate of Expenditures. This form is used for comparative purposes based on the object classification of accounts for each Quarterly Estimate of Expenditures submitted during the course of the biennium.
3. Accounting operation of the Pre-audit Section. All documents received by Pre-audit are batched (put in groups) according to type of document and also by examiner. The several documents handled by the pre-audit section for the purchase of materials and what action takes place, follows:
- (a) Requisitions - checked for availability of funds, legality, propriety and if it happens to be a requisition for the purchase of equipment (or other special items) it is checked against the "Quarterly Work Program and Analysis of Expenditure" work sheet. The requisition is now encumbered.
 - (b) Purchase Order - checked with the requisition. If the P.O. exceeds the amount shown on the requisition a further check as to availability of funds is made. If the purchase amount is going to exceed the amount as shown on the requisition the purchasing agent notifies pre-audit. They in turn check availability of funds and approve or disapprove the increase. If the increase is a significant amount an adjustment voucher is made to encumber the increased amount. At this time the original requisition encumbrance is liquidated and the P.O. is encumbered. The two steps above (a) and (b) are handled by the examiner. The following step is handled by the liquidator.
 - (c) The Voucher for payment is now received. The voucher is checked against the P.O. (usually the same amount) and then the P.O. is liquidated and the voucher is charged as an expenditure. If the voucher is for Part Payment the amount of the voucher is liquidated from the P.O. and the voucher is charged to expenditures. This transaction (liquidation) is shown on a liquidation sheet (see attached form).
 - (d) Other documents processed are (1) field orders, (2) printing requisitions, (3) several different types of journal vouchers (Stores, correction, credits to Industries and farm and garden earnings), (4) Medical Service Authority, (5) Purchase Authority, (6) Adjustment Vouchers - for use internally by pre-audit for adjusting allotments, orders and voucher payments, (7) Voucher Correction Notice - issued by State Auditor after correcting an error on voucher presented for payment, (8) Credit Memorandum - issued by Central Stores to agency for merchandise turned in or actual sale of products by agency to Central Stores, Credit Memo can be used for any type of purchase which can be handled through Central Stores, (9) Contracts for construction and repairs are encumbered by the use of an Adjustment Voucher and liquidated by the use of the liquidation sheet. (See attached form.)

All of the documents processed by the examiners are sent to the machine room for posting daily (usually sent in by 10:30 A.M.) The examiners receive a statement daily from the machine room. This statement is in two parts:

- (1) The activity part showing those allotments and accounts having documents processed against them, showing a new unencumbered balance,
- (2) The status part showing all allotments and accounts, consolidating the previous days unencumbered balance with the new balance as shown by the activity part of the statement. This statement then becomes the basis for the approval of documents for the following day's business, i.e. availability of funds.

4. Statements are sent to each pre-audit agency bi-monthly. On the fifteenth two statements are prepared by the machine room - (1) The "Appropriation and Allotment Statement" which contains the following information: (a) name of agency, (b) code number of appropriation or project, (c) amount appropriated, (d) period that statement covers, (e) date entry made, (f) source of entry (type of document), (g) primary account, (h) amount of allotment to date, (i) expenditures to date, (j) total unliquidated encumbrances, (k) total unencumbered balance of allotment. (2) The "Encumbrance and Liquidation Statement" which contains the following information: (a) name of agency, (b) period that statement covers, (c) code number of appropriation or project, (d) encumbrance reference (type of document), (e) liquidation reference, (f) voucher transmittal report number, (g) primary account number, (h) amount of encumbrance, (i) amount of liquidation, (j) the net amount of encumbrance (debit) or net amount of liquidation (credit). Totals are shown for all the activity within a primary account and also for the total of the appropriation or project.

On the last day of the month one more statement in addition to the two reviewed above, is prepared. This statement is called the "List of Unliquidated Encumbrances" and furnishes to each agency the following:

(a) appropriation or project code number, (b) primary account number, (c) document (code, type and number), (d) amount of unliquidated encumbrance - coming to a total of all outstanding orders against the particular appropriation or project. This statement is checked carefully with the unliquidated documents on file in the pre-audit section before being distributed to the proper agency.

5. Payroll clearance procedure - (manual operation). A ledger sheet is kept for each agency under the pre-audit system. On this ledger sheet there is shown the name of the employee, the position held, the grade and step of the employee, the monthly rate of pay and the gross amount earned on a monthly basis. All changes in payroll data are posted from a change in payroll status form called a 7100. Three major types of 7100 are involved: (1) a straight merit increment, (2) an added or dropped position, (3) a reclassification of a present employee to a higher position. The 7100 is initialed by the State Agency and sent to Central Personnel for review. In the case of merit increments there is merely routine review. In the case of added positions and reclassifications they are referred to the "Committee on Standards" (by Central Personnel) for approval. Agencies under certain merit systems must first forward the 7100 through the State Personnel Board for review and approval. From there they follow the same procedure as outlined above.

When the payroll voucher from the agency is received it is checked with the ledger sheet for name of employee, grade and step, monthly rate and the amount earned for the current month is posted to the ledger. If discrepancies are found in the payroll voucher, the agency is called in to correct the error. This sometimes holds the payroll from being processed, i.e. must wait for a 7100 to be received before payroll approved. The payroll voucher is now forwarded to the examiner, who in turn checks for availability of funds and charges to proper appropriation, allotment, project and primary account.

SUBJECT	PREVIOUS	NEW
1. FISCAL ORGANIZATION	AUDITOR ASSUMED TREASURER'S FUNCTION: DIRECTOR OF BUDGET ASSUMED AGENCY FUNCTION	RESPONSIBILITIES OF TREASURER, AUDITOR, BUDGET DIRECTOR, AGENCIES CLARIFIED AND FIXED
2. ACCOUNTING AUTHORITY	DIFFUSED - DIVIDED BETWEEN DIRECTOR OF BUDGET AND AUDITOR	CENTERED IN THE GOVERNOR OR HIS DESIGNEE
3. FISCAL STANDARDS AND REGULATIONS	REDBOOK REQUIREMENTS HAD NOT BEEN REEXAMINED IN 30 YEARS	STANDARDS AND REGULATIONS TO BE KEPT UNDER CONSTANT REVIEW
4. ALLOTMENT SYSTEM	DIVIDED STATE INTO 2 PARTS: ONE-HALF NOT COVERED: ONE- HALF VESTED IN DIRECTOR OF BUDGET	ONE OVERALL SYSTEM, WITH VARIATIONS TO SUIT AGENCY NEEDS
5. EXPENDITURE ACCOUNTING	REFLECTED DISBURSEMENTS, PARTLY	TO REFLECT ALL EXPENDITURES, INCLUDING ACCRUALS, OBLIGATIONS, COSTS AND DISBURSEMENTS
6. CASH CONTROL	REPORT ONLY OF THOSE RECEIPTS DEPOSITED WITH TREASURER	ALL RECEIPTS TO BE REPORTED, INCLUDING THOSE DEPOSITED WITH "LOCAL BANKS"
7. REPORTING	INCOMPLETE REPORT MADE BY AGENCIES, DIRECTOR OF BUDGET, TREASURER	COMPLETE REPORT TO BE MADE BY AGENCIES, RESULTING IN INFORMATIVE SUMMARY REPORTING BY BUDGET DIRECTOR AND TREASURER
8. BUDGETARY ACCOUNTING	CONTROL BY OBJECTS	CONTROL BY PROGRAMS
9. MACHINE USE	STATE LOST POTENTIAL OF AGENCY MACHINE CAPACITY: MACHINE STANDARDS NON-EXISTENT	FULLER AUTOMATION: BASIS FOR MACHINE STANDARDS SET UP: PLANNING FOR CENTRAL COMPUTER
10. FORMS CONTROL	9000 FORMS REGISTERED IN DIRECTOR OF BUDGET'S OFFICE	EFFECTIVE FORMS CONTROL BY CENTRAL BUDGET AGENCY, PROVIDING FOR SIMPLIFICATION